



0000052172

ORIGINAL

RECEIVED

37

BEFORE THE ARIZONA CORPORATION COMMISSION

2006 APR 24

COMMISSIONERS

AZ CORP COMMISSION
DOCUMENT CONTROL

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

IN THE MATTER OF THE APPLICATION OF)
DUNCAN RURAL SERVICES CORPORATION)
FOR A RATE INCREASE)

DOCKET NO. G-02528A-05-0314

IN THE MATTER OF THE APPLICATION OF)
DUNCAN RURAL SERVICES CORPORATION)
FOR APPROVAL OF A LOAN IN THE AMOUNT)
OF \$400,000)

DOCKET NO. G-02528A-03-0205

CUSTOMER NOTICE

In compliance with Decision No. 68599 (March 23, 2006), Duncan Rural Services Corporation ("DRSC") hereby files its customer notice in this matter.

RESPECTFULLY SUBMITTED this 24th day of April 2006.

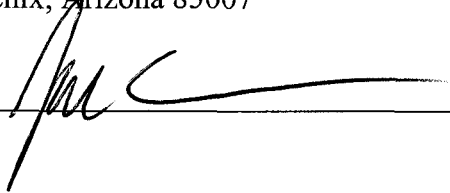
By

John Wallace
Grand Canyon State Electric Cooperative Association
120 North 44th Street, Suite 100
Phoenix, AZ 85034

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Original and fifteen (15) copies of
Duncan Rural Services Corporation's Customer Notice
filed this 24th day of April, 2006
with:

DOCKET CONTROL
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

By 

Postal Pros, Inc
3700 Osuna Rd. NE #708
Albuquerque, NM 87109
Phone: (505) 341-0509 Fax: (505) 341-0519

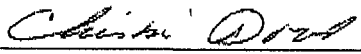
April 19, 2006

Steve Lunt
Duncan Rural Services PO 440
Duncan AZ 85534

Subject: Certification of Mailing

Steve:

This letter will certify that a Notice of Rate Change was sent to all gas customers. All mailings were done from Postal Pros, Inc. in Albuquerque, New Mexico on April 18, 2006.


Christine Dowd, President

IMPORTANT NOTICE ABOUT YOUR BILLS

Duncan Rural Service Corporation
222 N. Highway 75
P.O. Box 440
Duncan, AZ 85534
Telephone (928) 359-2503

May 1, 2006

To Our Gas Customers:

RE: NEW RATES EFFECTIVE APRIL 1, 2006

Duncan Rural Service Corporation ("DRSC") is the local gas distribution delivery service provider. As such, we purchase gas through the El Paso Pipeline and deliver it to you through our distribution system in DRSC's service territory.

On May 2, 2005, DRSC filed a request with the Arizona Corporation Commission (ACC) for a revenue increase of \$200,250 or 31% to cover the higher cost of gas caused by the nationwide increase in natural gas prices as well as increases in other expenses and plant improvements. After considering the DRSC's case and the ACC Staff's analysis, the ACC issued Decision No. 68599 on March 23, 2006 reducing the proposed revenue increase to \$167,705 or 26% and approving new rates for DRSC's use in calculating customers' bills for all gas usage effective on and after April 1, 2006.

The following table shows estimated winter customer bills with and without the authorized rate change depending upon the monthly gas usage. These amounts do not include sales tax.

Therms-Residential 250 cfh and Below	Present <u>Winter</u> Gas Bill	<u>Winter</u> Gas Bill with Rate Change	Change (Increase to <u>Winter Bill Due to</u> <u>Rate Change</u>)
25	\$54.06	\$57.27	+\$3.21
75	\$132.17	\$131.81	- \$0.36
100	\$171.22	\$169.08	- \$2.14
Therms- Commercial 251 cfh to 425 cfh			
500	\$803.60	\$775.40	-\$28.82
1000	\$1,584.70	\$1,520.80	-\$63.90
2000	\$3,146.90	\$3,011.60	-\$135.30

The following table shows estimated summer customer bills with and without the authorized rate change depending upon the monthly gas usage. These amounts do not include sales tax.

Therms-Residential 250 cfh and Below	Present Gas Bill	<u>Summer</u> <u>Summer Gas Bill</u> with Rate Change	Change (Increase to <u>Summer Bill Due to</u> <u>Rate Change</u>)
25	\$35.66	\$45.52	+\$9.86
75	\$76.97	\$96.56	+\$19.59
100	\$97.63	\$122.08	+\$24.45
Therms- Commercial 251 cfh to 425 cfh			
500	\$435.63	\$540.40	+\$104.77
1000	\$848.75	\$1,050.80	+\$202.05
2000	\$1,675.00	\$2,071.60	+\$396.60

If you want to obtain additional information about the rate increase or its impact upon your bill, you can contact DRSC at (928) 359-2503. If you are interested in energy saving tips or DRSC's average pay billing program, please call DRSC at (928) 359-2503 or refer to our website at www.dvec.org.

The Arizona Corporation Commission (ACC) in Decision No. 68599 has approved the below rates for Duncan Rural Services Corporation (DRSC). These rates are effective April 1, 2006 and will be reflected in the bill you receive for your April usage.

**Duncan Rural Services Corporation
Rate Schedules
Effective April 1, 2006**

Service - Meter Size

250 cfh and Below (Residential, Small Commercial)	\$20.00/billing period Monthly Service Charge Winter-Therms @ \$0.73000/Therm Summer - Therms @ \$0.26000/Therm
--	---

251 cfh to 425 cfh (Commercial, Irrigation)	\$30.00/billing period Monthly Service Charge Winter - Therms @ \$0.73000/Therm Summer - Therms @ \$0.26000/Therm
--	---

426 cfh to 1000 cfh (Large Commercial, Industrial)	\$40.00/billing period Monthly Service Charge Winter - Therms @ \$0.73000/Therm Summer - Therms @ \$0.26000/Therm
---	---

All Charges are subject to adjustment for any applicable taxes or regulatory assessments.

The above rates do not reflect the Monthly Gas Cost that is subject to adjustment as described in Schedule MGCR - Monthly Gas Cost Rate. (The MGCR is for March 2006 was \$0.7608/Therm)

cfh	=	cubic feet per hour
Summer Therm Rate	=	April - October
Winter Therm Rate	=	November - March

Establishment of Service -- Regular Hours	\$35.00
Establishment of Service -- After Hours	\$50.00
Re-establishment/Reconnection of Service -- Regular Hours	\$50.00
Re-establishment/Reconnection of Service -- After Hours	\$75.00
After Hour Service Charge - Per Hour*	\$50.00
Meter Re-read Charge (No Charge for Read Error)	\$30.00
Meter Test Fee	\$50.00
Insufficient Funds Check	\$20.00
Interest Rate on Consumer Deposits	
Variable %**	1.5%
Late/Deferred Payment (Per Month)	1.5%

* One hour minimum.

** Variable interest rate based on the Three-Month Commercial Financial Paper Rate as published by the Federal Reserve.